

REMARKS**I. Status of the Claims**

Claims 3, 33, 36, 42-51, 53-76, 81, and 83 have been amended and no new matter is added.

Claims 90 and 91 have been added. No new matter has been added.

Claims 3-91 are pending.

Support for “upstream business rules” in the amended claims is found in the Specification on, e.g., page 27, line 21 to page 28, line 13. Likewise, “dynamically updating the upstream business rule parameters” is supported in the Specification on, e.g., page 29, line 14 to page 30, line 9.

II. In Person Interview

Applicants thank Examiner Pond for the in-person interview on February 19, 2004 regarding this application. Applicants discussed the references and the claims and distinguished the present invention from the art of record, in particular regarding upstream and downstream business rule processing.

III. Rejections Under 35 U.S.C. § 103

Claims 3-4, 8-24, 29, 42-43, 47-55, 57-63, 67, 70, 81 and 83 are rejected under 35 U.S.C. § 103(a) as unpatentable over Liquid Audio’s *Liquid Audio Music-On-Demand System*, dated October 10, 1997 (“Liquid Audio”) in view of U.S. Patent No. 6,385,596 to Wiser et al. (“Wiser”). Claims 5-7, 25-28, 30-41, 44-46, 56, 64-66, 68-69, 71-80, 82, and 84-88 are rejected under 35 U.S.C. §

consumers. While in storage in the online music distribution system, the audio images remain encrypted and tied to the specific content manager.

Wiser, column 3, line 64 to column 4, line 12. The Examiner also refers to the following:

The media data file 200 contains at least one media data chunk 206. Each media data chunk 206 includes a watermarked, compressed, and encrypted, audio image 208. Each of these images 208 is processed to provide different quality levels on playback, using different sampling rates and compression levels. Each image 208 encodes either the entire song file or a portion thereof. Use of a number of different images 208 of differing audio qualities allows the artist to provide a single media data file 200 that can be previewed by users of different platforms and different audio playback capabilities. The data chunk also includes optional restrictions on such actions as playback and record to external devices or files.

Wiser, column 7, lines 4-16, *see also*, Figure 2.

Applicants respectfully submit that neither section discloses or renders obvious the claimed upstream business rule parameters. Wiser is only disclosing encoding security measures into media data file 200 to provide security against unauthorized copying. Protecting a single data file containing multiple versions of the same data with differing levels of encryption does not lead to upstream business rules. Wiser does not even suggest such a concept. Wiser states that the:

[u]se of a number of different images 208 of differing audio qualities allows the artist to provide a single media data file 200 that can be previewed by users of different platforms and different audio playback capabilities. The data chunk also includes optional restrictions on such actions as playback and record to external devices or files.

Wiser, column 7, lines 10-14. Wiser thus discloses that one file can be created with multiple images for ease of distribution so that one file can service multiple users having different players and platforms. This does not teach that upstream business rules are formed, nor are they updated.

Wiser does not teach or suggest the concept of “providing the one or more offers to the consumer based on the dynamically updated upstream business rule parameters.” Even if the Examiner maintains that Wiser’s security protocols are “upstream business rules” (which Applicants

submit that they are not), the security protocols are not, nor can be, dynamically updated. As cited above, Wiser watermarks and encrypts his electronic information upon or soon after creation. That encryption is fixed in the media. It always stays with the information and does not change. Thus, if the security protocols are “upstream business rules” they are never “dynamically updated” to take into account changes in the contractual arrangement between the upstream parties. Wiser is silent on this fact and furthermore, Applicants submit that to “update” Wiser’s “business rules” each individual file would have to be decompressed, reencrypted, and recompressed. This is not actually done or suggested by Wiser and is far from the dynamic updating present in the claims. Respectfully, the claimed upstream business rules could only be found in Wiser by hindsight reconstruction of Applicants’ disclosure.

Regarding claims 4, 8, 14, 43, and 53, Wiser does not disclose the validation of offers. Wiser only teaches and suggests that once a user makes a request for content, the only thing Wiser’s system will do is verify that the media object is available for sale. Wiser is silent as to any conditions of sale, and does not validate whether a sale or access to the work may proceed according to any conditions or rules. For example, Wiser discusses a sample purchase by a user on column 16, line 31 to column 17, line 16.

First, the user will be viewing ... some form of menu, catalogue, index or other listing of music and media available for purchase ... [and] a purchase request for a specific song is sent 902 to the HTTP server 122, for example by the user clicking on a "Buy It" button. ... The HTTP server 122 forwards 904 the purchase request data to a merchant server 132 to initiate authorization for payment for the requested media data file 200. ... [After payment information is collected], [t]he merchant server 132 requests 916 a reservation for the requested media data file 200 from the content manager 112 ... [and t]he reservation verifies that the requested song at the specified quality level actually exists in the master media files 120 and is available for purchase. The content manager 112 ... confirm[s] 918 that the requested song exists and is available for purchase. If the media data file 200 identified by the media ID exists in the database, then the content manager 112 returns 920 to the merchant

server 132 a voucher packet. Otherwise, the content manager 112 returns a message indicating the media ID does not correspond to a known media data file 200 or that the corresponding file is not available for sale; this information is communicated back to the Web browser 128.

Additionally, Liquid Audio does not explicitly teach that a purchase price is displayed, and in any case there is no motivation or suggestion that the purchase price is anything more than a manually posted display of a dollar amount the content at one time sold for. Liquid Audio does not teach or suggest updating, nor that “offer information displayed to the buyer is a result of formulating an offer consistent with rights parameters.”

Furthermore, claims 8 and 47, recite “generating rights data which determine the one or more offers associated with the information requested.” Liquid Audio does not disclose or suggest rights data that determines the offers. As above, Liquid Audio and Wiser do not suggest or motivate one to utilize rights data in displaying the price or any offer information. In contrast, the Specification specifically states that a “distributor creates commercial information such as default rights, and unique identifiers, collectively called rights data ... [which are] used to confirm validity of offers for content.” Specification, page 13, lines 7-20. Additionally, both the upstream business “rules ... and the default offer [are] included in the Rights data.” Specification, page 14, lines 15-21.

Regarding the rejection of claims 5-7, 25-28, 30-41, 44-46, 56, 64-66, 68-69, 71-80, 82, and 84-88, the Examiner combines Liquid Audio, Wiser and Ginter. The Examiner states that Liquid Audio and Wiser both disclose a licensing center to delegate and enforce rights between users, distributors, and publishers and content rights management and validating consumer access to the content. However, the Examiner then states that Liquid Audio and Wiser are silent on the details on

